

CITY OF BIG STONE CITY

Big Stone City, South Dakota

January 4, 2016

7:00 p.m.

The Big Stone City council met in regular session on Monday January 4, 2016 meeting began at 7:00 p.m. with Mayor Wiik presiding. Roll Call: Athey, Hanson, Rabe, Gulley, Baerwaldt and Henderson. Others present: City Attorney William E. Coester, Utility Manager Robert Athey, Finance Officer Donna Van Hout and Roger King, Missouri Basin Municipal Power Agency.

The Pledge of Allegiance and the South Dakota State Pledge were recited. Motion to accept the minutes from the December 7th meeting and the December 28th meeting was made by Gulley and seconded by Baerwaldt. All in favor, motion carried.

The following claims were presented for payment.

Farner Bocken	\$	704.46	Liquor Store
Payment Remittance	\$	61.26	Community Center Supplies
SD DENR	\$	50.00	No Discharge Fee
SD Assoc. of Code Enforcement	\$	40.00	Membership
SD Govt. Finance Officers'	\$	40.00	Membership
SD Govt. Human Resource	\$	25.00	Membership
DakotaCare	\$	6,774.93	Health Insurance
Juts	\$	200.00	School
SD DENR	\$	24.00	Operator Certification-Renewal
SD Lake Area Chamber	\$	200.00	Liquor Store Membership
Rural Development	\$	4,108.00	Loan payment
First National Bank	\$	13,954.96	Loan payment
First District Assoc.	\$	498.67	Membership
City of Big Stone	\$	4,782.10	Utilities
IRS	\$	3,025.10	Payroll Taxes
SDCS	\$	457.38	Payroll Withholding
Principle Life	\$	133.66	Life Insurance
MacDaddy's	\$	101.37	Fuel
Porter Dist.	\$	420.25	Liquor Store On/Off Beer
Coester Law Office	\$	520.00	Legal
Grant County Review	\$	147.57	Publishing
Berkner Plumbing	\$	4.00	Sewer
Ortonville Independent	\$	405.75	Liquor Store Advertising
Plunkett's Pest Control	\$	38.69	Community Center
Northwestern Energy	\$	151.76	Utilities
Border States Electric Supplies	\$	271.85	Liquor Store
Border States Electric Supplies	\$	122.08	Street Lighting Supplies

Insurance Solutions	\$	7,242.00	Fire Dept.
Insurance Solutions	\$	22,296.00	General
Insurance Solutions	\$	2,155.15	Liquor Store
Insurance Solutions	\$	6,592.00	Electric Dept.

Motion to pay the presented claims was made by Hanson and seconded by Henderson. Voting in favor: Athey, Hanson, Rabe, Gulley, Henderson and Baerwaldt. Motion carried.

Council Member Hanson introduced the Resolution entitled "RESOLUTION TO APPROVE AMENDMENTS RELATING TO THE MISSOURI BASIN MUNICIPAL POWER AGENCY d/b/a MISSOURI RIVER ENERGY SERVICES POWER SALE AGREEMENT (S-1) AND ASSOCIATED TRANSMISSION AGREEMENTS," and moved its adoption. Council Member Henderson seconded the motion to adopt.

The members of the Council discussed the motion and the amendments to the power supply and transmission contracts identified in the Resolution. Roger King, Missouri River Energy Services ("MRES"), gave a presentation highlighting the reasons for the changes to the power supply and transmission arrangements, the proposed changes, and the schedule for completing consideration and approval of the agreements. Roger answered questions and explained how the amendments will impact Big Stone City.

Resolution to Approve
**Amendments Relating to the Missouri Basin Municipal Power Agency d/b/a
Missouri River Energy Services Power Sale Agreement (S-1)
and Associated Transmission Agreements**

WHEREAS, **City Council** of Big Stone City ("City"), South Dakota is currently purchasing all electric power and energy it requires to meet the needs of its customers in excess of City's firm power allocation from the Western Area Power Administration ("WAPA") ("Supplemental Power") from Missouri Basin Municipal Power Agency d/b/a Missouri River Energy Services ("MRES"), pursuant to the terms and conditions of the Power Sale Agreement (S-1) ("S-1 Agreement") for a term extending through December 31, 2045; and

WHEREAS, the S-1 Agreement requires that MRES physically deliver Supplemental Power to City over the Integrated System ("IS") transmission facilities administered by WAPA; and

WHEREAS, MRES has assisted City to obtain delivery of power and energy by acquiring transmission service within the Midcontinent Independent System Operator, Inc. ("MISO") Regional Transmission Organization ("RTO") and, to facilitate such services, the parties have executed two transmission-related agreements: the Midwest ISO Market Implementation Agreement between MRES and City, and the [Split Rock Group] Transmission Service Agreement between MRES and City; and

WHEREAS, WAPA joined the Southwest Power Pool (“SPP”) RTO effective October 1, 2015, and the IS transmission facilities were moved into SPP (which now has functional control over those facilities) and, as a result, MRES can no longer physically deliver power and energy over the IS transmission facilities. Further, because all MRES Members are now in the footprint of either the MISO market or SPP market where power and energy are financial (and no longer physical) transactions, the S-1 Agreement no longer accurately reflects how power supply and the delivery of that power and energy are actually transacted in the RTOs. The RTOs, including SPP and MISO, operate energy markets and transmission networks that have fundamentally changed the way MRES provides power and energy to its Members under the S-1 Agreement; and

WHEREAS, these market changes require that Supplemental Power must be separated from Transmission Service because all MRES Members are located in one of two different RTOs that operate markets for energy (and capacity), and the physical delivery of power and energy (*i.e.* transmission service) is now separate from those actual commodities; and

WHEREAS, it is mutually beneficial to all parties that the base term of the S-1 Agreement which currently continues to 2046 be extended until 2057 to facilitate future financing of projects on the most advantageous terms and with the least impact on the wholesale power costs of City and other MRES Members; and

WHEREAS, other changes proposed to the S-1 Agreement will enable MRES to meet the new transmission service and energy market demands of the changing electric utility industry in a way that enhances the ability of MRES to effectively and economically provide Supplemental Power and Transmission Service to City, will provide clarification to the existing obligations of the parties, will provide flexibility for City to provide for a limited amount of its customers’ needs from its own local renewable resources, and will address the privacy and security of information on individuals; and

WHEREAS, ***the Mayor and the City Council*** desires that MRES continue to plan for, provide, and arrange for delivery of all Supplemental Power and Transmission Service needed by City.

NOW THEREFORE BE IT RESOLVED by ***the Mayor and the City Council*** that:

- (1) The “Amendment 5 to the Missouri Basin Municipal Power Agency Power Sale Agreement (S-1)” among MRES, Western Minnesota Municipal Power Agency (“Western Minnesota”), and City is approved in the form presented; and
- (2) The “Missouri Basin Municipal Power Agency Power Sale Agreement (S-1) (as amended and restated effective January 2, 2017)” and “Schedule A” among MRES, Western Minnesota,

and City are approved in the form presented; and

(3) The “Amendment 1 to Midwest ISO Market Implementation Agreement” between MRES and City is approved in the form presented; and

(4) The “Amendment 1 to the [Split Rock Group] Transmission Service Agreement” between MRES and City is approved in the form presented.

IT IS FURTHER RESOLVED that each of the Mayor and the Finance Officer shall be, and each of them acting individually hereby is, authorized and directed to execute and deliver to MRES each of the foregoing documents on behalf of the ***Mayor and the City Council, Big Stone City, South Dakota.***

The Resolution came to a vote, the roll was then called, and the votes were as follows:

- Ayes/Voting in favor of adoption of the Resolution: Henderson, Hanson, Athey, Rabe, Gulley, and Baerwaldt.
- Nays/Voting against adoption of the Resolution: None

The Mayor declared the following Resolution duly adopted on the 4th day of January, 2016:

Unfinished business: A brief discussion was held on getting the Liquor Store Manager a city credit card. A motion was made by Athey and seconded by Henderson to get the Manager a credit card with a \$500 limit. Voting if favor: Baerwaldt, Gulley, Rabe, Hanson, Athey and Henderson. Motion carried.

Mayor Wiik went over the wages and salaries for 2016. The following resolution was introduced by Hanson and moved its adoption. Henderson seconded the motion to adopt. Voting in favor: Gulley, Baerwaldt, Rabe, Hanson, and Henderson. Voting against: Athey. Motion carried.

RESOLUTION 2015-04 **Salaries**

WHEREAS, SDCL 9-14-28 requires the governing body of every municipality to fix and determine by ordinance or resolution, the amount of salaries and compensation of all municipal officers and employees; and

WHEREAS, the City shall publish the salaries for compliance with the provisions of SDCL,

NOW, THEREFORE, BE IT RESOLVED by the City Council that the following salaries and wages be effective first payroll in January for the year 2016:

Robert Goergen, Police Chief	\$47,539.71/year/\$183.76 on call
Robert Athey, Utilities Manager	\$26.47/hour/\$2.25hour on call
Bryan Austin, Elec. Maint.	\$25.82/hour/\$2.25hour on call
Donna Van Hout, Finance Officer	\$32,138/year
Melissa Stueve, Liquor Store Manager	\$32,000/year
Rebecca Sherod, Liquor Store	\$24,500/year
John Hanratty	\$16.00/hour
Henry Gimmestad	\$10.25/hour
Pam Steinke	\$9.75/Hour Office-\$16.00/Hour Cleaning
Patty Schuelke	\$9.60/hour
Angie Teske	\$9.10/hour
Melissa Pederson	\$10.25/Hour
Travis Sherod	\$8.75/hour
Michelle Patterson	\$8.60/Hour
Dave Zeek	\$14.00/hour cleaning
Melissa Stueve	\$16.00/hour cleaning
Kendra Rademacher	\$10.00/hour
Victoria Torgerson	\$9.75/hour
Dewane Stoddard	\$9.25/hour
William Newstrand	\$18.00/hour
Marlin Snell	\$18.00/hour
Council Members	\$450.00/quarter \$50.00 special meetings
Mayor	\$525.00/quarter \$50.00 special meetings

Dated this 4th day of January, 2016

Deb Wiik, Mayor

ATTEST:

Donna Van Hout, Finance Officer

Being no further business a motion to adjourn the meeting was made by Baerwaldt and seconded by Gulley. Motion carried.

ATTEST:

Deb Wiik, Mayor

Donna Van Hout, Finance Officer